

EU moves to rein in state support for renewable energy

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The Scroby Sands wind farm off the coast of Norfolk, England

The European Union announced Wednesday sweeping new guidelines to curtail state support for the renewable energy industry which Brussels says is harming the sector on the global market.

The new guidelines released by the European Commission, the EU's executive, require the bloc's 28 member countries to gradually replace ad hoc renewable energy subsidies with a competitive bidding process for allocating public support.

Joaquin Almunia, the EU's competition commissioner, said the guidelines were designed to end "illegal" state renewable energy subsidies which had created market "distortions" and led to higher prices which have harmed European industries.

However, Almunia also announced a long list of European companies which would be shielded from the new guidelines through "special treatment," arguing they were "especially exposed" to foreign competition.

The guidelines also steered clear of intervening in the United Kingdom's controversial state support of a nuclear energy project, with Almunia claiming the Commission's "lack of expertise" meant the guidelines would not cover nuclear energy.

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